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## *Senate*

# COMPREHENSIVE RETIREMENT SECURITY AND PENSION REFORM ACT OF 2001

Mr. CARPER. I, too, am a strong advocate of this legislation. I have spoken for it in the Chamber and in our caucus meetings as well. As the Senator from North Dakota and the Senator from New Mexico have indicated about their relatives, my grandfather was also on the railroad. My grandmother lived many years on a survivor's pension from his service. Whenever the chairman of the Budget Committee and the ranking member on the Budget Committee stand to endorse an amendment, it gives me pause. I want to make sure in the next several minutes--maybe hours--that we consider this legislation I understand the full ramifications of the amendment or the failure to adopt the amendment.

Let me ask the chairman of the Budget Committee this. When I first learned of the directed scorekeeping in the House of Representatives, which, as he said, is an extraordinary act, I tried to understand why they may have done that. Was it chicanery or was there real logic behind it?

As I studied the issue more, my understanding is if we were not on a cash basis of accounting, but an accrual basis, this probably would not be an issue. Most States used to be on a cash basis of accounting. The majority of States now use the accrual basis, and most States direct the retirement funds into U.S. Treasury obligations. Today, it is a whole array of investments, including equities, or stocks, bonds, and the kinds of things envisioned here under this legislation. There are, as we know, tier 1 benefits under the railroad and tier 2.

This is my question: The tier 1 benefits mirror Social Security benefits. Tier 2 are more private sector benefits. The moneys that go into those tier 2 funds for payout come from the railroad companies themselves--from the tax assessed on them--and also a payment by the railroad employees themselves. My understanding is that those monies that go into that retirement fund, paid into by the railroad companies and by the employees through the payroll deduction--those monies in the future will be invested not in U.S. Treasury obligations, but in a wide variety of investment options. But because of the peculiarity of our accounting rules, because those monies will now be not spent for roads or any other purpose, and not for space exploration, they will still be invested in the same pension benefits, but because of our accounting rules, those monies--simply by saying you can now invest those pension monies, the trust fund monies, in non-Treasury obligations triggers a $15 billion outlay. Is that what this is all about?

I know that is a long question, but let me lay that question at the feet of our Budget Committee chairman.